

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/02 AND ENDING 12/31/02
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Lampost Capital, L. C.

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

7777 Glades Road, Suite 213

(No. and Street)

Boca Raton, Florida 33434

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Michael S. Meade 561-883-0454

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Stephen R. Rotroff, CPA, P. A.

(Name - if individual, state last, first, middle name)

130 Wimbledon Circle, Heathrow, Florida 32746

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant
☐ Public Accountant
☐ Accountant not resident in United States or any of its possessions.

PROCESSED

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FINANCIAL

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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

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OATH OR AFFIRMATION

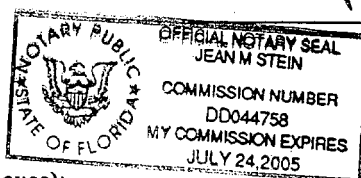
I, Michael S. Meade, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Lampost Capital, L.C., as of December 31, 2002, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

Michael S. Meade
Signature

President

Title

Jean M Stein
Notary Public



This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☐ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☒ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

LAMPOST CAPITAL, L. C.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002
AND
REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANT

LAMPOST CAPITAL, L. C.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002

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STEPHEN R. ROTROFF, CPA, P.A.
Certified Public Accountant and Consultant

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

To The Members
Lampost Capital, L. C.

I have audited the accompanying statement of financial condition of Lampost Capital, L. C., as of December 31, 2002, and the related statements of income and changes in members' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lampost Capital, L. C. at December 31, 2002, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying reconciliation of net capital is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Stephen R. Rotroff, CPA, P.A.

February 21, 2003

LAMPOST CAPITAL, L. C.
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2002

ASSETS

Cash and cash equivalents	\$ 129,042
Cash deposit with clearing broker	150,000
Due from clearing broker	208,471
Receivable from related party	5,000
Prepaid expenses and other current assets	6,682
Securities purchased, not yet sold	17,227
Furniture and equipment, net	28,430
Investment in securities at cost	3,300
Other assets	3,700
	<hr/>
	\$ 551,852

LIABILITIES AND MEMBERS' EQUITY

Liabilities:	
Accounts payable	\$ 27,997
Accrued expenses	7,861
Membership distribution payable	22,500
	<hr/>
Total liabilities	58,358
Members' equity	493,494
	<hr/>
	\$ 551,852

LAMPOST CAPITAL, L. C.
STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2002

Revenues:

Trading	\$ 3,090,992
Commissions	50,288
Management fees	39,204
Unrealized loss	(32,446)
Interest	9,789
Other	278
	<hr/>
	3,158,105

Expenses:

Commissions, salaries and benefits	528,325
Clearing and execution costs	448,704
Other expenses	79,186
Occupancy costs	33,012
Professional fees	27,813
Communications	8,024
Advertising and marketing	2,476
	<hr/>
	1,127,540

Net income	<hr/> <hr/>
	\$ 2,030,565

LAMPOST CAPITAL, L. C.
STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>Members'</u> <u>Equity</u>
Balance, January 1, 2002	\$ 502,494
Net income	2,030,565
Capital distributions	<u>(2,039,565)</u>
Balance, December 31, 2002	<u>\$ 493,494</u>

LAMPOST CAPITAL, L. C.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2002

Cash flow from operating activities:	
Net loss	\$ 2,030,565
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	7,954
Increase or decrease in assets and liabilities:	
Decrease in due from clearing broker	322,043
Decrease in receivable from related party	10,000
Decrease in prepaid expenses and other assets	56,466
Increase in securities purchased, not yet sold	(10,953)
Increase in accounts payable and accrued expenses	15,660
Decrease in membership distribution payable	(265,563)
Total cash provided by operating activities	<u>2,166,172</u>
Cash flow from investing activities:	
Purchase of furniture and equipment	<u>(11,561)</u>
Total cash used in investing activities	<u>(11,561)</u>
Cash flow from financing activities:	
Capital distributions	<u>(2,039,565)</u>
Total cash used in financing activities	<u>(2,039,565)</u>
Net increase in cash	115,046
Cash and cash equivalents, beginning of year	<u>13,996</u>
Cash and cash equivalents, end of year	<u><u>\$ 129,042</u></u>
Supplemental disclosure of cash flow information:	
Cash paid during the year for interest	<u><u>\$ -</u></u>
Cash paid during the year for income taxes	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

LAMPOST CAPITAL, L. C.,
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002

1. ORGANIZATION

Lampost Capital, L.C. (the "Company") was incorporated as a limited liability company on July 16, 1997, in the state of Florida. The Company is a registered broker-dealer with the Securities and Exchange Commission and the National Association of Securities Dealers.

The Company operates an office in Boca Raton, Florida. The Company's sources of revenue are derived from unsolicited brokerage transactions, market making and proprietary trading. The Company is an introducing broker-dealer and clears its trades through Bear Stearns Securities Corp. (the "Clearing Broker"). Although the Company's Clearing Broker maintains the accounts of all customers, the Company remains contingently liable for customers who do not fulfill their obligations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash equivalents - Cash equivalents are short-term, liquid investments with an original maturity of three months or less and are carried at cost, which approximates market value.

Cash deposit with clearing broker - Cash deposit with clearing broker consists of funds on deposit with the Clearing Broker pursuant to a clearing agreement. The agreement requires the Company to maintain a minimum of \$150,000 as a clearing deposit based upon the level of securities inventory, the volume and size of transactions, and the type of business being conducted. As long as the Company continues to use the clearing and execution services of the Clearing Broker, the Company will be required to maintain the cash on deposit. During January 2003 the Company changed the clearing agent.

Due from clearing brokers - Due from clearing broker represents commissions and other monies due the Company from the Clearing Broker. An allowance for doubtful accounts is not recorded since the Clearing Broker adjusts accounts monthly to actual results.

Securities purchased, not yet sold - Securities purchased, not yet sold are recorded at market value based upon listed market prices on the date purchased with related changes in unrealized appreciation or depreciation recorded in trading in the statement of income when sold.

Investment in securities, at cost - Investment in securities represents non-trading warrants purchased as an investment. The securities are valued at cost, which approximates fair value.

Furniture and equipment - Furniture and equipment are recorded at cost. Repair and maintenance costs are charged to operations as incurred. When assets are retired or disposed of, the cost and accumulated depreciation thereon are removed from the accounts, and any gains or losses are included in operations. Depreciation on furniture and equipment is provided utilizing the straight line method over the estimated useful lives of the related assets, which is estimated at three to five years.

Securities transactions - Securities transactions, including commissions payable, are recorded on a trade date basis. Amounts receivable and payable for securities transactions that have not reached their contractual settlement date are recorded net on the statement of financial condition.

LAMPOST CAPITAL, L. C.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2002

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes - The Company, with the consent of its members, elected to be taxed as a partnership under the Internal Revenue Code. All taxable income or loss flows through to the members. Accordingly, no income tax expense or liability is recorded in the accompanying financial statements.

Use of estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. RELATED PARTY TRANSACTIONS

The Company receives management fees from a related party hedge fund, a partnership whose largest partner is the majority member of the Company, and from a related party individual. Management fees recorded from the hedge fund and individual during the year ended December 31, 2002 were \$39,204, of which \$5,000 was recorded as a receivable at December 31, 2002.

The Company has a minority member who owns two percent (2%) of the Company. The Company has an agreement with the minority member to pay the member a disproportionate share of the profits generated from the trades the member directs to the Company. For the year ended December 31, 2002, the member's distribution was \$1,613,970 of which approximately \$22,500 was payable at December 31, 2002.

4. FURNITURE AND EQUIPMENT

Furniture and equipment consists of the following at December 31, 2002:

Property and equipment	\$ 47,023
Less accumulated depreciation	<u>(18,593)</u>
	<u>\$ 28,430</u>

Depreciation expense for the twelve months ended December 31, 2002 was \$7,954.

LAMPOST CAPITAL, L. C.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2002

5. CONTRACTUAL COMMITMENTS

The Company's clearing agreement provided for minimum monthly clearing charges of \$10,000 and requires the Company to maintain a \$150,000 deposit.

The Company leases its office space and the lease expires on August 31, 2005. Base rent at December 31 2002 was \$2,281, plus sale tax. The monthly base rent increases 4% on September 1st of each year through September 1, 2004. Future minimum lease payments are as follows at December 31, 2002:

2003	\$30,109
2004	31,314
2005	20,527

Rent expense, including parking fees and sales tax for the year ended December 31, 2002 was \$33,012.

**6. FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK AND
CONCENTRATION OF CREDIT RISK**

The Company's customers' securities transactions are introduced on a fully disclosed basis to its Clearing Broker. The Clearing Broker is responsible for collection of and payment of funds and receipt and delivery of securities for customer transactions. Off-balance sheet risk exists with respect to these transactions due to the possibility that customers may be unable to fulfill their contractual commitments and the Clearing Broker may charge any losses to the Company. The Company seeks to minimize the risk through procedures designed to monitor creditworthiness of the customers and proper execution of transactions by the Clearing Broker.

7. NET CAPITAL REQUIREMENTS

The Company's minimum net capital requirement under Rule 15c3-1 of the Securities and Exchange Commission is the greater of 6 2/3% of aggregate indebtedness, or a calculation based upon the number of securities in which the Company makes a market, or \$100,000. The Company operates pursuant to the (K)(2)(ii) exemption under SEC Rule 15c3-3 and does not hold customer funds or securities. The Company is, therefore, exempt from the reserve formula calculations and possession or control computations. At December 31, 2002, the net capital, as computed, was \$419,637. Consequently, the Company had excess net capital of \$314,570.

At December 31, 2000 the percentage of aggregate indebtedness to net capital was 13.9% versus an allowable percentage of 1500%.

8. RECONCILIATION OF NET CAPITAL

The net capital computation shown on the Company's December 31, 2002 amended FOCUS IIA, and the computation shown on the attached Computation of Net Capital pursuant to SEC Rule 15c3-1 agrees.

LAMPOST CAPITAL LC**Computation and Reconciliation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission
as of December 31, 2002**

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT:

Total members' equity qualified for net capital	\$ 493,494
Deductions:	
Non-allowable assets:	
Receivable from related party	\$ 5,000
Prepaid expenses	5,527
Securities not readily marketable	3,300
Furniture and equipment	28,430
Other	<u>4,855</u>
Total non-allowable assets	<u>47,112</u>
Net capital before haircuts and securities positions	446,382
Haircuts:	
Money markets at 15%	<u>26,745</u>
	<u>26,745</u>
Net capital	419,637
Minimum net capital requirements:	
6 2/3% of total aggregate indebtedness	3,892
Requirement based upon the number of securities in which the Company makes a market	105,067
Minimum dollar net capital requirement of reporting broker dealer	<u>100,000</u>
Net capital requirement (greater of above two minimum requirement amounts)	<u>105,067</u>
Net capital in excess of required minimum	<u>\$ 314,570</u>
Excess net capital at 1000%	<u>\$ 413,801</u>
Total aggregate indebtedness included in Statement of Financial Condition	<u>\$ 58,358</u>
Percentage of aggregate indebtedness to net capital	<u>13.91%</u>

RECONCILIATION:

Net capital, per page 10 of the December 31, 2002 unaudited amended Focus Report, as filed	\$ 419,637
Net audit adjustments	<u>-</u>
Net capital, per December 31, 2002 audited report, as filed	<u>\$ 419,637</u>

LAMPOST CAPITAL, L. C.
INFORMATION RELATING TO THE POSSESSION OR CONTROL REQUIREMENTS
UNDER SEC RULE 15c3-3 AS OF DECEMBER 31, 2002

Lampost Capital, L. C. operates pursuant to the (k)(2)(ii) exemption under SEC Rule 15c3-3 and does not hold funds or securities. Lampost Capital, L. C. is, therefore, exempt from the reserve formula calculations and possession and control computations.

**REPORT ON INTERNAL CONTROL STRUCTURE REQUIRED BY SEC RULE 17a-5 FOR A
BROKER-DEALER CLAIMING EXEMPTION FROM SEC RULE 15c3-3**

Board of Directors
Lampost Capital, L. C.

In planning and performing my audit of the financial statements of Lampost Capital, L. C. (the "Company") for the year ended December 31, 2002, I considered its internal control structure, including procedures for safeguarding securities, in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control structure.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission ("SEC"), I have made a study of the practices and procedures (including tests of compliance with such practices and procedures) followed by the Company, including tests of such practices that I considered relevant to the objectives stated in Rule 17a-5(g)(1) in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, I did not review the practices and procedures followed by the Company in any of the following:

1. Making the quarterly securities examinations, counts, verifications and comparisons
2. Recordation of differences required by Rule 17a-13
3. Complying with the requirements for prompt payment for securities under Section 8 of Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining an internal control structure and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of an internal control structure and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control structure or the practices and procedures referred to above, errors or irregularities may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, I noted no matters involving the internal control structure, including procedures for safeguarding securities that I consider to be material weaknesses as defined above.

I understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and the practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on my study, I believe that the Company's practices and procedures were adequate at December 31, 2002, to meet the SEC's objectives.

This report is intended solely for the use of management, the Securities and Exchange Commission, the National Association of Securities Dealers, and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and should not be used for any other purpose.

Stephen R. Ratoff, CPA, P.A.

February 21, 2003